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Labor Market News Letter, September 1959

Maine Employment Security Commission

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NEWS LETTER

Maine Employment Security Commission

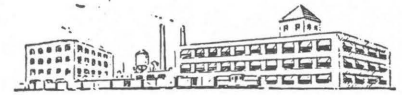
331 Water Street

Augusta, Maine



SEPTEMBER - 1959

ISSUED BI-MONTHLY



Labor Market Highlights — Broad gains since the first of the year in a number of important industries pushed total employment to its highest peak in two years by the middle week of August. The general employment upswing absorbed a large number of job-seekers, but, despite a 60.9 percent decrease in unemployment between January and August, there still was a decided over-all surplus of labor available in the State at the end of the summer. In a few areas, demand for certain types of nonfarm workers exceeded the available local supply. Such localized, qualitative deficiencies in the supply were noted primarily in a small number of occupational categories related to the lumber and wood products, textile, and apparel industries. Problems were being encountered during the last half of September in recruiting harvest hands in apple and potato growing areas, but out-of-area workers were being used effectively in gathering the crops.

Labor Force Changes — The labor force in Maine—inflated by the presence of youths and others who were available for summer employment — reached a peak for the year in July. The estimated number of persons in the labor force at that time was 397,400. The number dropped off slightly in the following month to 397,100 as a result of withdrawals of a few who, having failed to obtain summertime jobs, removed themselves from the job-seeker class. Of those in the labor force in August, an estimated 15,900, or four percent of the total number, were unemployed. This was the lowest unemployment level for the State since September 1957, when 12,600 were out of work. Compared with a year ago, unemployment in Maine was down nearly 40 percent—there having been 26,400 unemployed in August 1958.

Weeks of Unemployment Compensated — Improved unemployment conditions in Maine this year as compared with last are reflected impressively in data relating to weeks of unemployment compensated under the State unemployment insurance program. During the first eight months of 1958, the Maine Employment Security Commission issued benefit payments amounting, in aggregate, to \$14.6 million. This amount was paid to eligible claimants to cover a total of 663,695 weeks of unemployment. During the Janu-

ary-August period this year, \$9.5 million were paid to cover 448,899 weeks of unemployment. It is interesting to note that the average weekly benefit this year has been \$21.18, whereas for the same period last year it was \$21.96. The slightly lower 1959 average has been caused by less compensable unemployment among workers from industries having comparatively high wage rates.

Insured Unemployment Rate — Maine's rate of insured unemployment — based upon the relationship of UI continued weeks claimed to average monthly employment covered under the Maine Employment Security Law—was 4.8 percent at the first of September. Although this indicator has pointed to decided amelioration in the severity of unemployment problems in the State—last year the rate of unemployment was 7.1 percent in the first week of September—the relative volume of unemployment continues to be higher in Maine than in all but a few of the other states in the Country. States with higher unemployment rates at the present time are: West Virginia—7.6; Pennsylvania—5.6; Alaska—5.1; and Michigan—5.0. Unemployment ratios for the other New England States in the first week of September were: Connecticut—3.1; Massachusetts — 3.0; New Hampshire — 3.1; Rhode Island—4.1; and Vermont—2.2

Characteristics of the Labor Supply — On the basis of the known characteristics of persons maintaining active applications for work in the fourteen local employment offices of the Maine Employment Security Commission, it may be assumed that the total available supply of labor in the State is lacking neither in size nor in potential utility. As of September 1, registered job-seekers in the local offices totalled 15,136—8,259 males and 6,877 females. Classification of the applicants by occupation reveals that 504 were qualified for professional or managerial jobs; 2,248 were suited for clerical or sales work; 1,083 had previous experience in occupations found in service industries; 1,837 were skilled workers; 3,462 came from semiskilled types of employment; and 6,002 were unskilled. Among the job-seekers were 768 persons who, in spite of physical handicaps, were anxious to be given the opportunity to prove their worth to employers who might utilize their services.

Classified Areas in Maine—End-of-the-summer advances were registered in each of the three Maine areas included under the Federal program which classifies areas throughout the Country according to existing and prospective labor market conditions. The Portland Metropolitan Area, with an estimated total unemployment-labor force ratio of 4.3 percent, was reclassified during the summer from “an area of substantial labor surplus” to one of more balanced labor demand and supply. The Lewiston-Auburn

Metropolitan Area made definite gains in reducing unemployment. Earlier in the year this area had a total unemployment rate of 11.3 percent whereas in August the rate had dropped to 5.5 percent. New industries attracted to the Biddeford-Sanford area, which comprises most of York County, were instrumental in causing the rate there to fall from 23.1 to 9.0 percent between February and August. Until recently the outlook for this area was encouraging, but the probable closing within the next few months of an important Sanford manufacturing plant, as announced in the latter part of September, is certain to retard recovery in the area.

Nonfarm Employment — Seasonally expanded labor requirements in several industries, together with upward employment trends in a number of others, caused total nonfarm wage and salary employment in Maine to climb to a 1959 peak of 282,700 in August. This was the highest level reached since August 1957, when 288,000 workers were on the payrolls of nonagricultural employers, and was 5,600 jobs above year-ago employment of 277,100. The most appreciable over-the-year increases in major industries were: 1,700 in lumber and wood products; 900 in textiles; 800 in contract construction; 700 in miscellaneous services; 700 in government; and 600 in wholesale and retail trade. Losses of some significance were suffered during the twelve-month period in the machinery and transportation industries.

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